

November 23, 2011

Mr. Robert Worl
Siting Project Manager
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-5512

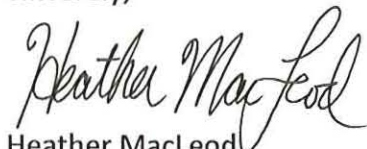
Subject: STATUS REPORT #9 FOR THE SUN VALLEY ENERGY PROJECT (05-AFC-3)

Dear Mr. Worl,

Valle del Sol Energy, LLC is continuing its efforts to obtain the emission reduction credits necessary to complete permitting for the Sun Valley Energy Project (SVEP). At this time, Valle del Sol owns or has access to enough VOC ERCs to meet the South Coast Air Quality Management District's (SCAQMD) requirements, but not PM₁₀ and SO_x ERCs. SCAQMD conducted a New Source Review Roundtable Discussion on Emission Offsets on November 15, 2011, with participation from US EPA (Region 9 and Washington DC), CARB and environmental groups, to begin identifying and implementing innovative solutions to the widely-recognized severe shortage of PM₁₀ and SO_x ERCs in the South Coast Air Basin. We attended the Roundtable Discussion and will participate in the anticipated working group to work toward a solution that will allow the SVEP to proceed. The presentations and video recording of the Roundtable can be accessed at:

<http://www.aqmd.gov/prdas/NSR/NSRRoundtable/NSRRoundtable.html>.

Sincerely,



Heather MacLeod
Valle del Sol Energy, LLC

CC: Service List
Jane Luckhardt, Downey Brand